

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Description of Goods or Services and Applicability

The present General Terms and Conditions of Purchase (hereinafter the "General Terms") apply to all goods (hereinafter the "Goods") or services (hereinafter the "Services") identified in the present purchase order (hereinafter the "Purchase Order"), unless:

- (i) the parties have otherwise agreed in writing; or
- (ii) there is a superseding contract concerning this transaction.

In such circumstances, the specific agreement between the parties shall prevail over these General Terms.

2. Contract Formation

This Purchase Order is only an offer to enter into an agreement, irrespective of whether this Purchase Order has been given in response to Supplier's offer. A goods or services purchase agreement (hereinafter the "Agreement") is concluded only after Supplier's written confirmation of this Purchase Order or by the delivery of the Goods and/or the Services. In the event Purchaser does not receive written confirmation of this Purchase Order or a new offer from Supplier within 7 (seven) business days of the date of this Purchase Order, Purchaser may elect to cancel this Purchase Order by written notice to Supplier. In such event, this Purchase Order will become null and void as of receipt of said notice by Supplier.

If any of the terms contained in Supplier's written confirmation of this Purchase Order are additional to or different from this Purchase Order, the written confirmation is deemed to be a new offer. In that case, the Agreement is concluded only after Purchaser's written confirmation. Purchaser reserves the right to make changes to any Goods and/or Services at any time, as well as to any material, equipment or any work connected with this Purchase Order. Any such changes involving a change in the Purchase Order price shall be made equitably, and this Purchase Order may be modified accordingly by written agreement.

At any time, Purchaser may, at its discretion, cancel or terminate this Purchase Order, or a portion thereof, or suspend delivery of Goods and/or Services by providing Supplier with a written notice to that effect, without prejudice to all rights granted by law.

The essential stipulations herein were not imposed by one of the parties but were negotiated among them.

3. Quality and Description

Supplier warrants that the Goods and/or the Services:

- (i) conform in all respects with the particulars stated in this Purchase Order, including in quantity, quality, and description;
- (ii) are of sound material and workmanship;
- (iii) are equal in all respects to the specifications and samples agreed to by the parties;
- (iv) are capable of any standard of performance and fit for the purpose as expressed in or implied by this Purchase Order; and
- (v) comply in all respects with all relevant laws in force at the time of delivery.

4. Samples and Supervision at Factory

Upon Purchaser's request, Supplier will submit samples of the Goods for approval before the bulk of this Purchase Order is delivered. Such samples will be marked for identification by Supplier and will be retained by Purchaser until the Goods have been delivered. Purchaser reserves the right to appoint a representative to supervise the performance of this Purchase Order at the premises of Supplier and its subcontractors.

5. Shipping and Delivery

Unless otherwise stated on this Purchase Order or explicitly agreed in writing between Supplier and Purchaser, all deliveries of Goods will be effected DDP as defined in Incoterms 2000. Supplier will bear all additional charges for express shipment, save and except if such express shipment is specifically requested in writing by Purchaser.

In the event that any materials used in the manufacturing process of the Goods are imported from non-U.S. sources, Supplier shall forward the proper customs and duty forms, duly completed, to Purchaser and shall perform any other necessary or useful act so as to permit Purchaser to claim the related customs duties.

6. Delivery Date

The contractual deadline specified herein will apply not only to the satisfactory delivery of the Goods and/or the Services, but also to the submission of all technical, administrative, and dispatch documents provided for in this Purchase Order. If the Goods and/or the Services are delivered in instalments, Supplier will advise Purchaser promptly once the final instalment has been delivered. Should the stipulated deadline be exceeded, a penalty amount of 0.5% of the total sale price per week (26% per year) will be due from the Supplier to the Purchaser. This penalty is due even if performance has become impossible because of circumstances for which the Supplier is not answerable. In addition to this penalty amount, the Purchaser may cancel this Purchase Order, or a portion thereof, if delivery is not completed within the required time, without prejudice to all other rights provided for in these General Terms or granted by law.

7. Prices

Unless otherwise stated on this Purchase Order, prices indicated on this Purchase Order are firm and are in US dollars and include all taxes (excluding sales and excise taxes), levies and other charges such as transport, delivery and packaging costs. Notwithstanding the foregoing, the Supplier agrees that the Purchaser shall benefit from any general price reduction in the Goods and/or the Services that the Supplier may make during the period between the conclusion of the Agreement and the delivery of all the Goods and/or the Services. Supplier undertakes to detail separately on the invoice all sales and excise taxes applicable to this Purchase Order. No charge shall be made for transport, delivery, package, container or any other unit for shipping unless such charge is explicitly accepted in writing by the Purchaser.

8. Correspondence and Invoices

All documents must refer to this Purchase Order number. Supplier will send invoices as per the instructions on this Purchase Order and, for a sale of Goods, shall ensure that the invoice arrives on or before the day of consignment.

9. Terms of Payment

Unless otherwise specified on this Purchase Order, payments shall be made within 60 (sixty) days of receipt of invoice or delivery of the Goods and/or the Services, whatever is the latest.

10. Warranty

In addition to any rights granted by law, the Goods are warranted against both material and/or construction defects for ONE YEAR following the date of Goods receipt by Purchaser. Any Goods is subject to inspection and approval by Purchaser at place of destination. Defective Goods shall be returned to Supplier for

replacement or credit at Purchase Order price, at Purchaser's option, and at Supplier's risk. All charges so incurred shall be borne by Supplier, with Purchaser reserving the right to have defective Goods repaired and bill Supplier for time used (including overtime).

11. Confidentiality

Supplier will not disclose any information that Purchaser shares with it to any third party, except as required by law or as necessary to provide Purchaser with Goods and/or Services. This Section 11 shall survive the termination of these General Terms.

12. Proprietary Rights

All records, materials, diagrams, sketches, models and equipment (hereinafter the "**Material and Equipment**") provided by Purchaser to Supplier, in any form, will remain entirely the property of Purchaser. Supplier will review and/or test the Material and Equipment before practical application. Supplier may use them only for the performance of this Purchase Order, must maintain them in good condition, and must return them to Purchaser immediately upon the Purchaser's first request or upon termination of these General Terms.

13. Insurance

Supplier shall maintain, at all times, a general liability insurance policy covering bodily and personal injury, including death and property damage, including loss of use, for a minimum amount of two million dollars (\$2,000,000) per occurrence.

14. Intellectual Property

This Purchase Order does not grant Supplier any authorization whatsoever to manufacture, sell, or advertise products bearing Purchaser's or its affiliates' trademarks, corporate names or copyright. Furthermore, no license under any Purchaser's intellectual property rights is granted by the Purchaser to the Supplier or can be implied by the transmission of the Material and Equipment to the Supplier hereunder. Supplier will indemnify Purchaser, its affiliates as well as their respective officers, directors, shareholders, employees and agents against, and hold them harmless from, all claims arising from an infringement of intellectual property rights. Moreover, Supplier will notify Purchaser of any instances of counterfeiting of the Products of which Supplier is aware. This Section 14 shall survive the termination of these General Terms.

15. Compliance with Laws

If the Goods are packaged or palletized with raw unprocessed wood, Supplier warrants and guarantees that it will strictly respect and comply with the ISPM 15 guidelines of the Food and Agriculture Organization of the United Nations.

Supplier shall comply with all applicable laws with respect to the filling of this Purchase Order. Supplier shall indemnify and hold Purchaser, its affiliates as well as their respective officers, directors, shareholders, employees and agents harmless from any responsibility ensuing from any infringement of such laws. This Section 15 shall survive the termination of these General Terms.

16. Age Verification

Age verification must be completed before adult smokers are exposed to any advertising or promotion materials or product samples. Supplier shall ensure that all persons staffing JTI activities are adults.

17. JTI's Supplier Standards

The Supplier shall comply with JTI's Supplier Standards (<https://www.jti.com/jti-supplier-standards.pdf>)

18. Compliance with JTI Code of Conduct & Policies

In all the activities hereunder, the Supplier will fully comply with the principles as laid down in the Purchaser's Code of Conduct and with all applicable federal, state and local laws, rules, regulations, orders, codes and directives. JTI will not tolerate any form of bribery or corruption in any of its business activities. In turn, it expects suppliers to fully comply with this position as a condition for doing business with JTI. More information is available at <https://codeofconduct.jti.com/>. In addition, for information related to our Environmental, Health and Safety ("EHS") policy, please visit: <http://www.jti.com/>

19. Force Majeure

Neither party shall be liable or responsible to the other party, nor be deemed to have defaulted or breached the Agreement, for any failure or delay in fulfilling or performing any obligation under the Agreement when a Force Majeure Event has occurred and as long as such Force Majeure Event continues, provided that such party promptly notifies the other party of such an event. A "Force Majeure Event" shall mean acts or circumstances beyond the reasonable control of the affected party including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, pandemic, lock-outs, strikes or other labour disputes (whether or not relating to party's workforce), telecommunication breakdown or power outage. The other party shall have the right to suspend the performance of its own corresponding obligations under the Agreement for as long as the party affected by the Force Majeure Event does not perform its obligations and such suspension shall not place the other party in default or in breach of the Agreement or under any liability to the affected party. Without limiting the generality of the foregoing, where the Force Majeure Event impedes the delivery of the Services by Supplier, no payments shall be due by Purchaser for the period of time during which the Force Majeure Event impedes the delivery of the Services by Supplier. In addition, if the Force Majeure Event does not prevent or hinder the performance by Supplier of its obligations under the Agreement *per se* but directly or indirectly causes the number of potential purchasers at stores at which the Services are to be delivered to decrease by fifty percent (50%) or more over a period of no less than 30 (thirty) days, Purchaser shall have the right to reduce payments to Supplier proportionately thereto for the period of such decrease. If the Force Majeure Event continues for more than 2 (two) months, either party shall be entitled to terminate the Agreement in whole or in part by providing written notice to the other party.

20. Choice of Law and Jurisdiction

These General Terms and the Agreement are interpreted under and governed by the laws in force in the State of New York, U.S.A. The terms of the United Nations Convention on Contracts for the International Sale of Goods, concluded at Vienna on April 11, 1980, do not apply to the Agreement.

Any dispute or inconsistency pertaining to these General Terms or the Agreement is submitted to the exclusive jurisdiction of the federal and state courts located in the Borough of Manhattan, State of New York, U.S.A.

21. Assignment

Supplier shall not assign this Purchase Order in whole or in part without the Purchaser's prior written approval. Any such assignment shall be null and void. The Purchaser may assign this Purchase Order, or a portion thereof, to one of its affiliates, without the prior written consent of the Supplier.